



January 25, 2008

SENATE BILL No. 20

DIGEST OF SB 20 (Updated January 22, 2008 12:35 pm - DI 73)

Citations Affected: IC 6-1.1; IC 6-3.5; IC 13-21; IC 20-26; IC 36-1; IC 36-8; IC 36-9; noncode.

Synopsis: Local government finance. Provides that if the local option income tax for property tax replacement is adopted in Lake County, the tax revenue may be distributed only by one of the three following distribution methods (as determined by the county council): (1) The tax revenue may be used to proportionately reduce all property tax levies imposed by the county. (2) The tax revenue collected from taxpayers within a particular municipality in Lake County may be used to provide a local property tax credit against property taxes imposed by that municipality, and the tax revenue collected from taxpayers within the unincorporated area may be used to provide a local property tax credit that is available only to those taxpayers within the unincorporated area. (3) 60% of the tax revenue shall be used to provide local property tax credit to taxpayers within municipalities and to taxpayers within the unincorporated areas, and 40% of the tax revenue shall be distributed to the county and to townships and municipalities on the basis of population and used to reduce property tax levies. Authorizes a public utility company to file an amended personal property tax return for the public utility's personal property in the manner specified for other personal property taxpayers. Provides that the annual budget of a solid waste management district must be approved by the fiscal body of each county in which the district is located. Provides that certain maximum permissible property tax levies for firefighting are increased by the assessed value growth quotient used in the determination of civil units' levies (rather than being increased statutorily by 5% each year). Adjusts the maximum property tax rates for county cumulative capital
(Continued next page)

Effective: January 1, 2003 (retroactive); upon passage; July 1, 2008.

**Kenley, Hume, Landske, Meeks,
Mrvan, Rogers, Broden**

November 20, 2007, read first time and referred to Committee on Tax and Fiscal Policy.
January 24, 2008, amended, reported favorably — Do Pass.

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development funds and for municipal cumulative capital development funds to reflect the change from 33.33% to 100% of true tax value. Provides that if a statute authorizes a political subdivision or school corporation to borrow money by issuing bonds, notes, or warrants, the fiscal body of the political subdivision or the governing body of the school corporation may authorize the borrowing of money by obtaining a loan from a financial institution, instead of by issuing the bonds, notes, or warrants. Provides that this provision applies only to a political subdivision or school corporation that has a fiscal body (in the case of a political subdivision) or governing body (in the case of a school corporation) consisting entirely of elected members. Specifies that the maximum amount of loans from financial institutions to a particular political subdivision or school corporation under this provision may not exceed \$1,000,000. Allows a church or religious society that meets certain requirements and that failed to timely file an application for property tax exemption for the 2003 assessment date to retroactively file for and be granted the exemption.

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January 25, 2008

Second Regular Session 115th General Assembly (2008)

PRINTING CODE. Amendments: Whenever an existing statute (or a section of the Indiana Constitution) is being amended, the text of the existing provision will appear in this style type, additions will appear in **this style type**, and deletions will appear in ~~this style type~~.

Additions: Whenever a new statutory provision is being enacted (or a new constitutional provision adopted), the text of the new provision will appear in **this style type**. Also, the word **NEW** will appear in that style type in the introductory clause of each SECTION that adds a new provision to the Indiana Code or the Indiana Constitution.

Conflict reconciliation: Text in a statute in *this style type* or ~~this style type~~ reconciles conflicts between statutes enacted by the 2007 Regular Session of the General Assembly.

SENATE BILL No. 20

A BILL FOR AN ACT to amend the Indiana Code concerning taxation.

Be it enacted by the General Assembly of the State of Indiana:

- 1 SECTION 1. IC 6-1.1-18-23.5 IS ADDED TO THE INDIANA
2 CODE AS A **NEW** SECTION TO READ AS FOLLOWS
3 [EFFECTIVE JULY 1, 2008]: **Sec. 23.5. A public utility company**
4 **may file an amended personal property tax return for the public**
5 **utility's personal property in the manner specified in**
6 **IC 6-1.1-3-7.5.**
- 7 SECTION 2. IC 6-3.5-1.1-26, AS ADDED BY P.L.224-2007,
8 SECTION 68, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
9 UPON PASSAGE]: Sec. 26. (a) A county council may impose a tax
10 rate under this section to provide property tax relief to political
11 subdivisions in the county. A county council is not required to impose
12 any other tax before imposing a tax rate under this section.
- 13 (b) A tax rate under this section may be imposed in increments of
14 five hundredths of one percent (0.05%) determined by the county
15 council. A tax rate under this section may not exceed one percent (1%).
- 16 (c) A tax rate under this section is in addition to any other tax rates
17 imposed under this chapter and does not affect the purposes for which

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other tax revenue under this chapter may be used.

(d) If a county council adopts an ordinance to impose or increase a tax rate under this section, the county auditor shall send a certified copy of the ordinance to the department and the department of local government finance by certified mail.

(e) A tax rate under this section may be imposed, increased, decreased, or rescinded by a county council at the same time and in the same manner that the county council may impose or increase a tax rate under section 24 of this chapter.

(f) Tax revenue attributable to a tax rate under this section may be used for any combination of the following purposes, as specified by ordinance of the county council:

(1) The tax revenue may be used to provide local property tax replacement credits at a uniform rate to all taxpayers in the county. Any tax revenue that is attributable to the tax rate under this section and that is used to provide local property tax replacement credits under this subdivision shall be distributed to civil taxing units and school corporations in the county in the same manner that certified distributions are allocated as property tax replacement credits under section 12 of this chapter. The department of local government finance shall provide each county auditor with the amount of property tax replacement credits that each civil taxing unit and school corporation in the auditor's county is entitled to receive under this subdivision. The county auditor shall then certify to each civil taxing unit and school corporation the amount of property tax replacement credits the civil taxing unit or school corporation is entitled to receive under this subdivision during that calendar year.

(2) The tax revenue may be used to uniformly increase the homestead credit percentage in the county. The additional homestead credits shall be treated for all purposes as property tax levies. The additional homestead credits do not reduce the basis for determining the state homestead credit under IC 6-1.1-20.9. The additional homestead credits shall be applied to the net property taxes due on the homestead after the application of all other assessed value deductions or property tax deductions and credits that apply to the amount owed under IC 6-1.1. The department of local government finance shall determine the additional homestead credit percentage for a particular year based on the amount of tax revenue that will be used under this subdivision to provide additional homestead credits in that year.

(3) The tax revenue may be used to provide local property tax

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1 replacement credits at a uniform rate for all qualified residential
 2 property (as defined in IC 6-1.1-20.6-4) in the county. Any tax
 3 revenue that is attributable to the tax rate under this section and
 4 that is used to provide local property tax replacement credits
 5 under this subdivision shall be distributed to civil taxing units and
 6 school corporations in the county in the same manner that
 7 certified distributions are allocated as property tax replacement
 8 credits under section 12 of this chapter. The department of local
 9 government finance shall provide each county auditor with the
 10 amount of property tax replacement credits that each civil taxing
 11 unit and school corporation in the auditor's county is entitled to
 12 receive under this subdivision. The county auditor shall then
 13 certify to each civil taxing unit and school corporation the amount
 14 of property tax replacement credits the civil taxing unit or school
 15 corporation is entitled to receive under this subdivision during
 16 that calendar year.

17 **(4) Notwithstanding subdivisions (1) through (3), any tax**
 18 **revenue from a tax rate imposed under this section in Lake**
 19 **County may be distributed only as provided in subdivision (5),**
 20 **(6), or (7), as specified by ordinance of the Lake County**
 21 **council.**

22 **(5) This subdivision applies only to Lake County. The Lake**
 23 **County council may adopt an ordinance providing that the tax**
 24 **revenue from the tax rate under this section is used to**
 25 **proportionately reduce all property tax levies imposed by the**
 26 **county. The department of local government finance, with the**
 27 **assistance of the budget agency, shall certify to the county**
 28 **auditor, the county treasurer, the county council, and the**
 29 **county executive the amount of tax revenue under this section**
 30 **that will be used to reduce each property tax levy imposed by**
 31 **the county. Except as provided in subsection (g), the tax**
 32 **revenue under this section that is used to reduce the property**
 33 **tax levies imposed by the county shall be treated for all**
 34 **purposes as property tax levies.**

35 **(6) This subdivision applies only to Lake County. The Lake**
 36 **County council may adopt an ordinance providing that the tax**
 37 **revenue from the tax rate under this section is used as follows**
 38 **to provide local property tax replacement credits in Lake**
 39 **County:**

40 **(A) The tax revenue under this section that is collected**
 41 **from taxpayers within a particular municipality in Lake**
 42 **County (as determined by the department based on the**

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department's best estimate) shall be used only to provide a local property tax credit against property taxes imposed by that municipality. The local property tax credit within a particular municipality shall be applied at a uniform rate for all taxpayers within that municipality.

(B) The tax revenue under this section that is collected from taxpayers within the unincorporated area of Lake County (as determined by the department) shall be used only to provide a local property tax credit against property taxes imposed by the county. The local property tax credit for the unincorporated area of Lake County shall be available only to those taxpayers within the unincorporated area of the county and shall be applied at a uniform rate for all taxpayers within the unincorporated area of the county.

(C) The department of local government finance, with the assistance of the budget agency, shall certify to the county auditor the amount of property tax replacement credits that the county and each municipality in the county are entitled to receive under this subdivision during the calendar year. The county auditor shall then certify these credit amounts to the county and each municipality in the county. The county auditor also shall certify these credit amounts to the county treasurer.

(D) Except as provided in subsection (g), the local property tax replacement credits shall be treated for all purposes as property tax levies.

(7) This subdivision applies only to Lake County. The Lake County council may adopt an ordinance providing that the tax revenue from the tax rate under this section is used as follows in Lake County:

(A) Sixty percent (60%) of the tax revenue under this section shall be used as provided in subdivision (6).

(B) Forty percent (40%) of the tax revenue under this section shall be used to provide property tax levy reductions as follows:

(i) The tax revenue distributed under this clause shall be used to reduce the property tax levies of the county and each township and municipality in the county.

(ii) The percentage of the tax revenue distributed under this clause that shall be distributed to the county or to a particular township or municipality for property tax

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levy reductions under this subdivision is equal to the percentage determined by dividing the population of the county, township, or municipality by the sum of the total population of the county, each township in the county, and each municipality in the county.

(iii) The tax revenue distributed to the county or a township or municipality under this clause shall be used to proportionately reduce all property tax levies of the county, township, or municipality.

(iv) The department of local government finance, with the assistance of the budget agency, shall certify to the county auditor and the fiscal body of the county and each township and municipality in the county the amount of tax revenue under this section that will be used under this clause to reduce each property tax levy imposed by the county, township, or municipality.

(v) Except as provided in subsection (g), the tax revenue under this section that is used to reduce the property tax levies imposed by the county, a township, or a municipality shall be treated for all purposes as property tax levies.

(g) The tax rate under this section and the tax revenue attributable to the tax rate under this section shall not be considered for purposes of computing:

(1) the maximum income tax rate that may be imposed in a county under section 2 of this chapter or any other provision of this chapter;

(2) the maximum permissible property tax levy under STEP EIGHT of IC 6-1.1-18.5-3(b); or

(3) the total county tax levy under IC 6-1.1-21-2(g)(3), IC 6-1.1-21-2(g)(4), or IC 6-1.1-21-2(g)(5).

(h) Tax revenue under this section shall be treated as a part of the receiving civil taxing unit's or school corporation's property tax levy for that year for purposes of fixing the budget of the civil taxing unit or school corporation and for determining the distribution of taxes that are distributed on the basis of property tax levies.

(i) The department of local government finance and the department of state revenue may take any actions necessary to carry out the purposes of this section.

SECTION 3. IC 6-3.5-6-32, AS ADDED BY P.L.224-2007, SECTION 85, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 32. (a) A county income tax council may

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1 impose a tax rate under this section to provide property tax relief to
 2 political subdivisions in the county. A county income tax council is not
 3 required to impose any other tax before imposing a tax rate under this
 4 section.

5 (b) A tax rate under this section may be imposed in increments of
 6 five hundredths of one percent (0.05%) determined by the county
 7 income tax council. A tax rate under this section may not exceed one
 8 percent (1%).

9 (c) A tax rate under this section is in addition to any other tax rates
 10 imposed under this chapter and does not affect the purposes for which
 11 other tax revenue under this chapter may be used.

12 (d) If a county income tax council adopts an ordinance to impose or
 13 increase a tax rate under this section, the county auditor shall send a
 14 certified copy of the ordinance to the department and the department
 15 of local government finance by certified mail.

16 (e) A tax rate under this section may be imposed, increased,
 17 decreased, or rescinded at the same time and in the same manner that
 18 the county income tax council may impose or increase a tax rate under
 19 section 30 of this chapter.

20 (f) Tax revenue attributable to a tax rate under this section may be
 21 used for any combination of the following purposes, as specified by
 22 ordinance of the county income tax council:

23 (1) The tax revenue may be used to provide local property tax
 24 replacement credits at a uniform rate to civil taxing units and
 25 school corporations in the county. The amount of property tax
 26 replacement credits that each civil taxing unit and school
 27 corporation in a county is entitled to receive under this
 28 subdivision during a calendar year equals the product of:

29 (A) the tax revenue attributable to a tax rate under this section
 30 that is dedicated to property tax replacement credits under this
 31 subdivision; multiplied by

32 (B) the following fraction:

33 (i) The numerator of the fraction equals the total property
 34 taxes being collected in the county by the civil taxing unit or
 35 school corporation during the calendar year of the
 36 distribution.

37 (ii) The denominator of the fraction equals the sum of the
 38 total property taxes being collected in the county by all civil
 39 taxing units and school corporations of the county during the
 40 calendar year of the distribution.

41 The department of local government finance shall provide each
 42 county auditor with the amount of property tax replacement

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credits that each civil taxing unit and school corporation in the auditor's county is entitled to receive under this subdivision. The county auditor shall then certify to each civil taxing unit and school corporation the amount of property tax replacement credits the civil taxing unit or school corporation is entitled to receive under this subdivision during that calendar year. The county auditor shall also certify these distributions to the county treasurer. Except as provided in subsection (g), the local property tax replacement credits shall be treated for all purposes as property tax levies.

(2) The tax revenue may be used to uniformly increase the homestead credit percentage in the county. The additional homestead credits shall be treated for all purposes as property tax levies. The additional homestead credits do not reduce the basis for determining the state homestead credit under IC 6-1.1-20.9. The additional homestead credits shall be applied to the net property taxes due on the homestead after the application of all other assessed value deductions or property tax deductions and credits that apply to the amount owed under IC 6-1.1. The department of local government finance shall determine the additional homestead credit percentage for a particular year based on the amount of tax revenue that will be used under this subdivision to provide additional homestead credits in that year.

(3) The tax revenue may be used to provide local property tax replacement credits at a uniform rate for all qualified residential property (as defined in IC 6-1.1-20.6-4) in the county. The amount of property tax replacement credits that each civil taxing unit and school corporation in a county is entitled to receive under this subdivision during a calendar year equals the product of:

(A) the tax revenue attributable to a tax rate under this section that is dedicated to property tax replacement credits under this subdivision; multiplied by

(B) the following fraction:

(i) The numerator of the fraction equals the total property taxes being collected in the county by the civil taxing unit or school corporation during the calendar year of the distribution.

(ii) The denominator of the fraction equals the sum of the total property taxes being collected in the county by all civil taxing units and school corporations of the county during the calendar year of the distribution.

The department of local government finance shall provide each

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1 county auditor with the amount of property tax replacement
 2 credits that each civil taxing unit and school corporation in the
 3 auditor's county is entitled to receive under this subdivision. The
 4 county auditor shall then certify to each civil taxing unit and
 5 school corporation the amount of property tax replacement credits
 6 the civil taxing unit or school corporation is entitled to receive
 7 under this subdivision during that calendar year. The county
 8 auditor shall also certify these distributions to the county
 9 treasurer. Except as provided in subsection (g), the local property
 10 tax replacement credits shall be treated for all purposes as
 11 property tax levies.

12 **(4) Notwithstanding subdivisions (1) through (3), any tax**
 13 **revenue from a tax rate imposed under this section in Lake**
 14 **County may be distributed only as provided in subdivision (5),**
 15 **(6), or (7), as specified by ordinance of the Lake County**
 16 **council.**

17 **(5) This subdivision applies only to Lake County. The Lake**
 18 **County council may adopt an ordinance providing that the tax**
 19 **revenue from the tax rate under this section is used to**
 20 **proportionately reduce all property tax levies imposed by the**
 21 **county. The department of local government finance, with the**
 22 **assistance of the budget agency, shall certify to the county**
 23 **auditor, the county treasurer, the county council, and the**
 24 **county executive the amount of tax revenue under this section**
 25 **that will be used to reduce each property tax levy imposed by**
 26 **the county. Except as provided in subsection (g), the tax**
 27 **revenue under this section that is used to reduce the property**
 28 **tax levies imposed by the county shall be treated for all**
 29 **purposes as property tax levies.**

30 **(6) This subdivision applies only to Lake County. The Lake**
 31 **County council may adopt an ordinance providing that the tax**
 32 **revenue from the tax rate under this section is used as follows**
 33 **to provide local property tax replacement credits in Lake**
 34 **County:**

35 **(A) The tax revenue under this section that is collected**
 36 **from taxpayers within a particular municipality in Lake**
 37 **County (as determined by the department based on the**
 38 **department's best estimate) shall be used only to provide**
 39 **a local property tax credit against property taxes imposed**
 40 **by that municipality. The local property tax credit within**
 41 **a particular municipality shall be applied at a uniform rate**
 42 **for all taxpayers within that municipality.**

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(B) The tax revenue under this section that is collected from taxpayers within the unincorporated area of Lake County (as determined by the department) shall be used only to provide a local property tax credit against property taxes imposed by the county. The local property tax credit for the unincorporated area of Lake County shall be available only to those taxpayers within the unincorporated area of the county and shall be applied at a uniform rate for all taxpayers within the unincorporated area of the county.

(C) The department of local government finance, with the assistance of the budget agency, shall certify to the county auditor the amount of property tax replacement credits that the county and each municipality in the county are entitled to receive under this subdivision during the calendar year. The county auditor shall then certify these credit amounts to the county and each municipality in the county. The county auditor shall also certify these credit amounts to the county treasurer.

(D) Except as provided in subsection (g), the local property tax replacement credits shall be treated for all purposes as property tax levies.

(7) This subdivision applies only to Lake County. The Lake County council may adopt an ordinance providing that the tax revenue from the tax rate under this section is used as follows in Lake County:

(A) Sixty percent (60%) of the tax revenue under this section shall be used as provided in subdivision (6).

(B) Forty percent (40%) of the tax revenue under this section shall be used to provide property tax levy reductions as follows:

(i) The tax revenue distributed under this clause shall be used to reduce the property tax levies of the county and each township and municipality in the county.

(ii) The percentage of the tax revenue distributed under this clause that shall be distributed to the county or to a particular township or municipality for property tax levy reductions under this subdivision is equal to the percentage determined by dividing the population of the county, township, or municipality by the sum of the total population of the county, each township in the county, and each municipality in the county.

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(iii) The tax revenue distributed to the county or a township or municipality under this clause shall be used to proportionately reduce all property tax levies of the county, township, or municipality.

(iv) The department of local government finance, with the assistance of the budget agency, shall certify to the county auditor and the fiscal body of the county and each township and municipality in the county the amount of tax revenue under this section that will be used under this clause to reduce each property tax levy imposed by the county, township, or municipality.

(v) Except as provided in subsection (g), the tax revenue under this section that is used to reduce the property tax levies imposed by the county, a township, or a municipality shall be treated for all purposes as property tax levies.

(g) The tax rate under this section shall not be considered for purposes of computing:

(1) the maximum income tax rate that may be imposed in a county under section 8 or 9 of this chapter or any other provision of this chapter; or

(2) the maximum permissible property tax levy under STEP EIGHT of IC 6-1.1-18.5-3(b).

(h) Tax revenue under this section shall be treated as a part of the receiving civil taxing unit's or school corporation's property tax levy for that year for purposes of fixing the budget of the civil taxing unit or school corporation and for determining the distribution of taxes that are distributed on the basis of property tax levies.

(i) The department of local government finance and the department of state revenue may take any actions necessary to carry out the purposes of this section.

(j) Notwithstanding any other provision, in Lake County the county council (and not the county income tax council) is the entity authorized to take actions concerning the tax rate under this section.

SECTION 4. IC 13-21-3-21 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2008]: Sec. 21. Before the board of a district may adopt an annual budget, the budget must be:

(1) approved by the department of local government finance; and

(2) sent to:

(A) the executive; and

(B) the fiscal body;

of each county and municipality located within the district as a

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1 matter of record; and

2 (3) approved by the fiscal body of each county in which the
3 district is located, in the case of annual budgets for 2009 and
4 thereafter.

5 SECTION 5. IC 20-26-5-32 IS ADDED TO THE INDIANA CODE
6 AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY
7 1, 2008]: Sec. 32. (a) This section applies only to a school
8 corporation that has a governing body consisting entirely of elected
9 members.

10 (b) If a statute authorizes a school corporation to borrow money
11 by issuing bonds, notes, or warrants, the governing body of the
12 school corporation may authorize the school corporation to borrow
13 the money by obtaining a loan from a financial institution under
14 that statute, instead of issuing the bonds, notes, or warrants.

15 (c) Except as provided in subsection (b), this section does not
16 excuse a school corporation from complying with any laws
17 concerning:

18 (1) the authority to borrow money;

19 (2) the maximum amount of money that may be borrowed for
20 a particular purpose;

21 (3) approval of the borrowing; or

22 (4) the right of taxpayers to object to the borrowing.

23 (d) The maximum amount of loans from financial institutions to
24 a particular school corporation under this section may not exceed
25 one million dollars (\$1,000,000).

26 SECTION 6. IC 36-1-4-20 IS ADDED TO THE INDIANA CODE
27 AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY
28 1, 2008]: Sec. 20. (a) This section applies only to a political
29 subdivision that has a fiscal body consisting entirely of elected
30 members.

31 (b) If a statute authorizes a political subdivision to borrow
32 money by issuing bonds, notes, or warrants, the fiscal body of the
33 political subdivision may authorize the political subdivision to
34 borrow the money by obtaining a loan from a financial institution
35 under that statute, instead of issuing the bonds, notes, or warrants.

36 (c) Except as provided in subsection (b), this section does not
37 excuse a political subdivision from complying with any laws
38 concerning:

39 (1) the authority to borrow money;

40 (2) the maximum amount of money that may be borrowed for
41 a particular purpose;

42 (3) approval of the borrowing; or

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1 **(4) the right of taxpayers to object to the borrowing.**

2 **(d) The maximum amount of loans from financial institutions to**
 3 **a particular political subdivision under this section may not exceed**
 4 **one million dollars (\$1,000,000).**

5 SECTION 7. IC 36-8-13-4.6 IS AMENDED TO READ AS
 6 FOLLOWS [EFFECTIVE JULY 1, 2008]: Sec. 4.6. (a) For townships
 7 and municipalities that elect to have the township provide fire
 8 protection and emergency services under section 3(b) of this chapter,
 9 the department of local government finance shall adjust each
 10 township's and each municipality's maximum permissible levy in the
 11 year following the year in which the change is elected, as determined
 12 under IC 6-1.1-18.5-3, to reflect the change from providing fire
 13 protection under a contract between the municipality and the township
 14 to allowing the township to impose a property tax levy on the taxable
 15 property located within the corporate boundaries of each municipality.
 16 Each municipality's maximum permissible property tax levy shall be
 17 reduced by the amount of the municipality's property tax levy that was
 18 imposed by the municipality to meet the obligations to the township
 19 under the fire protection contract. The township's maximum
 20 permissible property tax levy shall be increased by the product of:

21 (1) ~~one and five-hundredths (1.05);~~ **the assessed value growth**
 22 **quotient determined under IC 6-1.1-18.5-2 for the ensuing**
 23 **calendar year;** multiplied by

24 (2) the amount the township received:

25 (A) in the year in which the change is elected; and

26 (B) as fire protection contract payments from all municipalities
 27 whose levy is decreased under this section.

28 (b) For purposes of determining a township's or municipality's
 29 maximum permissible ad valorem property tax levy under
 30 IC 6-1.1-18.5-3 for years following the first year after the year in which
 31 the change is elected, a township's or municipality's maximum
 32 permissible ad valorem property tax levy is the levy after the
 33 adjustment made under subsection (a).

34 SECTION 8. IC 36-8-13-4.7, AS AMENDED BY P.L.224-2007,
 35 SECTION 130, IS AMENDED TO READ AS FOLLOWS
 36 [EFFECTIVE JULY 1, 2008]: Sec. 4.7. (a) For a township that elects
 37 to have the township provide fire protection and emergency services
 38 under section 3(c) of this chapter, the department of local government
 39 finance shall adjust the township's maximum permissible levy in the
 40 year following the year in which the change is elected, as determined
 41 under IC 6-1.1-18.5-3, to reflect the change from providing fire
 42 protection or emergency services under a contract between the

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1 municipality and the township to allowing the township to impose a
 2 property tax levy on the taxable property located within the corporate
 3 boundaries of each municipality. For the ensuing calendar year, the
 4 township's maximum permissible property tax levy shall be increased
 5 by the product of:

6 (1) ~~one and five-hundredths (1.05);~~ **the assessed value growth**
 7 **quotient determined under IC 6-1.1-18.5-2 for the ensuing**
 8 **calendar year;** multiplied by

9 (2) the amount the township contracted or billed to receive,
 10 regardless of whether the amount was collected:

11 (A) in the year in which the change is elected; and

12 (B) as fire protection or emergency service payments from the
 13 municipalities or residents of the municipalities covered by the
 14 election under section 3(c) of this chapter.

15 The maximum permissible levy for a general fund or other fund of a
 16 municipality covered by the election under section 3(c) of this chapter
 17 shall be reduced for the ensuing calendar year to reflect the change to
 18 allowing the township to impose a property tax levy on the taxable
 19 property located within the corporate boundaries of the municipality.
 20 The total reduction in the maximum permissible levies for all electing
 21 municipalities must equal the amount that the maximum permissible
 22 levy for the township is increased under this subsection for contracts
 23 or billings, regardless of whether the amount was collected, less the
 24 amount actually paid from sources other than property tax revenue.

25 (b) For purposes of determining a township's and each
 26 municipality's maximum permissible ad valorem property tax levy
 27 under IC 6-1.1-18.5-3 for years following the first year after the year in
 28 which the change is elected, a township's and each municipality's
 29 maximum permissible ad valorem property tax levy is the levy after the
 30 adjustment made under subsection (a).

31 (c) The township may use the amount of a maximum permissible
 32 property tax levy computed under this section in setting budgets and
 33 property tax levies for any year in which the election in section 3(c) of
 34 this chapter is in effect. A county board of tax adjustment (before
 35 January 1, 2009) or the county board of tax and capital projects review
 36 (after December 31, 2008) may not reduce a budget or tax levy solely
 37 because the budget or levy is based on the maximum permissible
 38 property tax levy computed under this section.

39 (d) Section 4.6 of this chapter does not apply to a property tax levy
 40 or a maximum property tax levy subject to this section.

41 SECTION 9. IC 36-9-14.5-6 IS AMENDED TO READ AS
 42 FOLLOWS [EFFECTIVE JULY 1, 2008]: Sec. 6. (a) Except as

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provided in subsection (c), the county fiscal body may provide money for the cumulative capital development fund by levying a tax in compliance with IC 6-1.1-41 on the taxable property in the county.

(b) The maximum property tax rate that may be imposed for property taxes first due and payable during a particular year in a county in which the county option income tax or the county adjusted gross income tax is in effect on January 1 of that year, depends upon the number of years the county has previously imposed a tax under this chapter and is determined under the following table:

NUMBER OF YEARS	TAX RATE PER \$100 OF ASSESSED VALUATION
0	\$0.05 \$0.0167
1 or more	\$0.10 \$0.0333

(c) The maximum property tax rate that may be imposed for property taxes first due and payable during a particular year in a county in which neither the county option income tax nor the county adjusted gross income tax is in effect on January 1 of that year, depends upon the number of years the county has previously imposed a tax under this chapter and is determined under the following table:

NUMBER OF YEARS	TAX RATE PER \$100 OF ASSESSED VALUATION
0	\$0.04 \$0.0133
1 or more	\$0.07 \$0.0233

SECTION 10. IC 36-9-15.5-6 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2008]: Sec. 6. (a) Except as provided in subsection (c), the municipal fiscal body may provide money for the cumulative capital development fund by levying a tax in compliance with IC 6-1.1-41 on the taxable property in the municipality.

(b) The maximum property tax rate that may be imposed for property taxes first due and payable during a particular year in a municipality that is either wholly or partially located in a county in which the county option income tax or the county adjusted gross income tax is in effect on January 1 of that year depends upon the number of years the municipality has previously imposed a tax under this chapter and is determined under the following table:

NUMBER OF YEARS	TAX RATE PER \$100 OF ASSESSED VALUATION
0	\$0.05 \$0.0167



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1 1 ~~\$0.10~~ **\$0.0333**
2 2 or more ~~\$0.15~~ **\$0.05**
3 (c) The maximum property tax rate that may be imposed for
4 property taxes first due and payable during a particular year in a
5 municipality that is wholly located in a county in which neither the
6 county option income tax nor the county adjusted gross income tax is
7 in effect on January 1 of that year depends upon the number of years
8 the municipality has previously imposed a tax under this chapter and
9 is determined under the following table:
10 NUMBER TAX RATE PER \$100
11 OF YEARS OF ASSESSED
12 VALUATION
13 0 ~~\$0.04~~ **\$0.0133**
14 1 ~~\$0.08~~ **\$0.0267**
15 2 or more ~~\$0.12~~ **\$0.04**
16 SECTION 11. [EFFECTIVE JULY 1, 2008] **IC 36-8-13-4.6,**
17 **IC 36-8-13-4.7, IC 36-9-14.5-6, and IC 36-9-15.5-6, all as amended**
18 **by this act, apply only to property taxes first due and payable after**
19 **December 31, 2008.**
20 SECTION 12. [EFFECTIVE JANUARY 1, 2003
21 (RETROACTIVE)] **(a) This SECTION applies only to an entity that**
22 **meets all of the following conditions:**
23 (1) **The entity is a church or religious society.**
24 (2) **For the assessment date in 2003:**
25 (A) **property owned by the entity would have been eligible**
26 **for exemption from property taxes if the entity had timely**
27 **filed an application under IC 6-1.1-11 for property tax**
28 **exemption for the property;**
29 (B) **the entity failed to file a timely application under**
30 **IC 6-1.1-11 for property tax exemption for the property;**
31 **and**
32 (C) **the entity's property was subject to taxation.**
33 (b) **Notwithstanding IC 6-1.1-11 or any other law specifying the**
34 **date by which an application for property tax exemption must be**
35 **filed to claim an exemption for a particular assessment date, an**
36 **entity described in subsection (a) may before July 1, 2008, file with**
37 **the county assessor an application for property tax exemption for**
38 **the 2003 assessment date.**
39 (c) **Notwithstanding IC 6-1.1-11 or any other law, an application**
40 **for property tax exemption filed under subsection (b) is considered**
41 **to be timely filed, and the county assessor shall forward the**
42 **application to the county property tax assessment board of appeals**

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1 for review. The board shall grant an exemption claimed for the
2 assessment date in 2003 for property tax exemption if the board
3 determines that:

4 (1) the entity's application for property tax exemption satisfies
5 the requirements of this SECTION; and

6 (2) the entity's property was, except for the failure to timely
7 file an application for property tax exemption, otherwise
8 eligible for the claimed exemption.

9 (d) If an entity has previously paid the tax liability for property
10 with respect to the 2003 assessment date and the property is
11 granted an exemption under this SECTION for the assessment
12 date, the county auditor shall issue a refund of the property tax
13 paid by the entity. An entity is not required to apply for any refund
14 due under this SECTION. The county auditor shall, without an
15 appropriation being required, issue a warrant to the entity payable
16 from the county general fund for the amount of the refund, if any,
17 due the entity. No interest is payable on the refund.

18 (e) This SECTION expires January 1, 2010.

19 SECTION 13. An emergency is declared for this act.

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SENATE MOTION

Madam President: I move that Senator Meeks be added as coauthor of Senate Bill 20.

KENLEY

SENATE MOTION

Madam President: I move that Senator Mrvan be added as coauthor of Senate Bill 20.

KENLEY

SENATE MOTION

Madam President: I move that Senator Landske be added as third author and Senator Rogers be added as coauthor of Senate Bill 20.

KENLEY

SENATE MOTION

Madam President: I move that Senator Hume be added as second author of Senate Bill 20.

KENLEY

SENATE MOTION

Madam President: I move that Senator Broden be added as coauthor of Senate Bill 20.

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COMMITTEE REPORT

Madam President: The Senate Committee on Tax and Fiscal Policy, to which was referred Senate Bill No. 20, has had the same under consideration and begs leave to report the same back to the Senate with the recommendation that said bill be AMENDED as follows:

Page 1, delete lines 1 through 17, begin a new paragraph and insert:

"SECTION 1. IC 6-1.1-18-23.5 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2008]: **Sec. 23.5. A public utility company may file an amended personal property tax return for the public utility's personal property in the manner specified in IC 6-1.1-3-7.5.**

SECTION 2. IC 6-3.5-1.1-26, AS ADDED BY P.L.224-2007, SECTION 68, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 26. (a) A county council may impose a tax rate under this section to provide property tax relief to political subdivisions in the county. A county council is not required to impose any other tax before imposing a tax rate under this section.

(b) A tax rate under this section may be imposed in increments of five hundredths of one percent (0.05%) determined by the county council. A tax rate under this section may not exceed one percent (1%).

(c) A tax rate under this section is in addition to any other tax rates imposed under this chapter and does not affect the purposes for which other tax revenue under this chapter may be used.

(d) If a county council adopts an ordinance to impose or increase a tax rate under this section, the county auditor shall send a certified copy of the ordinance to the department and the department of local government finance by certified mail.

(e) A tax rate under this section may be imposed, increased, decreased, or rescinded by a county council at the same time and in the same manner that the county council may impose or increase a tax rate under section 24 of this chapter.

(f) Tax revenue attributable to a tax rate under this section may be used for any combination of the following purposes, as specified by ordinance of the county council:

(1) The tax revenue may be used to provide local property tax replacement credits at a uniform rate to all taxpayers in the county. Any tax revenue that is attributable to the tax rate under this section and that is used to provide local property tax replacement credits under this subdivision shall be distributed to civil taxing units and school corporations in the county in the same manner that certified distributions are allocated as property

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tax replacement credits under section 12 of this chapter. The department of local government finance shall provide each county auditor with the amount of property tax replacement credits that each civil taxing unit and school corporation in the auditor's county is entitled to receive under this subdivision. The county auditor shall then certify to each civil taxing unit and school corporation the amount of property tax replacement credits the civil taxing unit or school corporation is entitled to receive under this subdivision during that calendar year.

(2) The tax revenue may be used to uniformly increase the homestead credit percentage in the county. The additional homestead credits shall be treated for all purposes as property tax levies. The additional homestead credits do not reduce the basis for determining the state homestead credit under IC 6-1.1-20.9. The additional homestead credits shall be applied to the net property taxes due on the homestead after the application of all other assessed value deductions or property tax deductions and credits that apply to the amount owed under IC 6-1.1. The department of local government finance shall determine the additional homestead credit percentage for a particular year based on the amount of tax revenue that will be used under this subdivision to provide additional homestead credits in that year.

(3) The tax revenue may be used to provide local property tax replacement credits at a uniform rate for all qualified residential property (as defined in IC 6-1.1-20.6-4) in the county. Any tax revenue that is attributable to the tax rate under this section and that is used to provide local property tax replacement credits under this subdivision shall be distributed to civil taxing units and school corporations in the county in the same manner that certified distributions are allocated as property tax replacement credits under section 12 of this chapter. The department of local government finance shall provide each county auditor with the amount of property tax replacement credits that each civil taxing unit and school corporation in the auditor's county is entitled to receive under this subdivision. The county auditor shall then certify to each civil taxing unit and school corporation the amount of property tax replacement credits the civil taxing unit or school corporation is entitled to receive under this subdivision during that calendar year.

(4) Notwithstanding subdivisions (1) through (3), any tax revenue from a tax rate imposed under this section in Lake County may be distributed only as provided in subdivision (5),

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(6), or (7), as specified by ordinance of the Lake County council.

(5) This subdivision applies only to Lake County. The Lake County council may adopt an ordinance providing that the tax revenue from the tax rate under this section is used to proportionately reduce all property tax levies imposed by the county. The department of local government finance, with the assistance of the budget agency, shall certify to the county auditor, the county treasurer, the county council, and the county executive the amount of tax revenue under this section that will be used to reduce each property tax levy imposed by the county. Except as provided in subsection (g), the tax revenue under this section that is used to reduce the property tax levies imposed by the county shall be treated for all purposes as property tax levies.

(6) This subdivision applies only to Lake County. The Lake County council may adopt an ordinance providing that the tax revenue from the tax rate under this section is used as follows to provide local property tax replacement credits in Lake County:

(A) The tax revenue under this section that is collected from taxpayers within a particular municipality in Lake County (as determined by the department based on the department's best estimate) shall be used only to provide a local property tax credit against property taxes imposed by that municipality. The local property tax credit within a particular municipality shall be applied at a uniform rate for all taxpayers within that municipality.

(B) The tax revenue under this section that is collected from taxpayers within the unincorporated area of Lake County (as determined by the department) shall be used only to provide a local property tax credit against property taxes imposed by the county. The local property tax credit for the unincorporated area of Lake County shall be available only to those taxpayers within the unincorporated area of the county and shall be applied at a uniform rate for all taxpayers within the unincorporated area of the county.

(C) The department of local government finance, with the assistance of the budget agency, shall certify to the county auditor the amount of property tax replacement credits that the county and each municipality in the county are

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entitled to receive under this subdivision during the calendar year. The county auditor shall then certify these credit amounts to the county and each municipality in the county. The county auditor also shall certify these credit amounts to the county treasurer.

(D) Except as provided in subsection (g), the local property tax replacement credits shall be treated for all purposes as property tax levies.

(7) This subdivision applies only to Lake County. The Lake County council may adopt an ordinance providing that the tax revenue from the tax rate under this section is used as follows in Lake County:

(A) Sixty percent (60%) of the tax revenue under this section shall be used as provided in subdivision (6).

(B) Forty percent (40%) of the tax revenue under this section shall be used to provide property tax levy reductions as follows:

(i) The tax revenue distributed under this clause shall be used to reduce the property tax levies of the county and each township and municipality in the county.

(ii) The percentage of the tax revenue distributed under this clause that shall be distributed to the county or to a particular township or municipality for property tax levy reductions under this subdivision is equal to the percentage determined by dividing the population of the county, township, or municipality by the sum of the total population of the county, each township in the county, and each municipality in the county.

(iii) The tax revenue distributed to the county or a township or municipality under this clause shall be used to proportionately reduce all property tax levies of the county, township, or municipality.

(iv) The department of local government finance, with the assistance of the budget agency, shall certify to the county auditor and the fiscal body of the county and each township and municipality in the county the amount of tax revenue under this section that will be used under this clause to reduce each property tax levy imposed by the county, township, or municipality.

(v) Except as provided in subsection (g), the tax revenue under this section that is used to reduce the property tax levies imposed by the county, a township, or a

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municipality shall be treated for all purposes as property tax levies.

(g) The tax rate under this section and the tax revenue attributable to the tax rate under this section shall not be considered for purposes of computing:

- (1) the maximum income tax rate that may be imposed in a county under section 2 of this chapter or any other provision of this chapter;
- (2) the maximum permissible property tax levy under STEP EIGHT of IC 6-1.1-18.5-3(b); or
- (3) the total county tax levy under IC 6-1.1-21-2(g)(3), IC 6-1.1-21-2(g)(4), or IC 6-1.1-21-2(g)(5).

(h) Tax revenue under this section shall be treated as a part of the receiving civil taxing unit's or school corporation's property tax levy for that year for purposes of fixing the budget of the civil taxing unit or school corporation and for determining the distribution of taxes that are distributed on the basis of property tax levies.

(i) The department of local government finance and the department of state revenue may take any actions necessary to carry out the purposes of this section.

SECTION 3. IC 6-3.5-6-32, AS ADDED BY P.L.224-2007, SECTION 85, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 32. (a) A county income tax council may impose a tax rate under this section to provide property tax relief to political subdivisions in the county. A county income tax council is not required to impose any other tax before imposing a tax rate under this section.

(b) A tax rate under this section may be imposed in increments of five hundredths of one percent (0.05%) determined by the county income tax council. A tax rate under this section may not exceed one percent (1%).

(c) A tax rate under this section is in addition to any other tax rates imposed under this chapter and does not affect the purposes for which other tax revenue under this chapter may be used.

(d) If a county income tax council adopts an ordinance to impose or increase a tax rate under this section, the county auditor shall send a certified copy of the ordinance to the department and the department of local government finance by certified mail.

(e) A tax rate under this section may be imposed, increased, decreased, or rescinded at the same time and in the same manner that the county income tax council may impose or increase a tax rate under section 30 of this chapter.

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(f) Tax revenue attributable to a tax rate under this section may be used for any combination of the following purposes, as specified by ordinance of the county income tax council:

(1) The tax revenue may be used to provide local property tax replacement credits at a uniform rate to civil taxing units and school corporations in the county. The amount of property tax replacement credits that each civil taxing unit and school corporation in a county is entitled to receive under this subdivision during a calendar year equals the product of:

(A) the tax revenue attributable to a tax rate under this section that is dedicated to property tax replacement credits under this subdivision; multiplied by

(B) the following fraction:

(i) The numerator of the fraction equals the total property taxes being collected in the county by the civil taxing unit or school corporation during the calendar year of the distribution.

(ii) The denominator of the fraction equals the sum of the total property taxes being collected in the county by all civil taxing units and school corporations of the county during the calendar year of the distribution.

The department of local government finance shall provide each county auditor with the amount of property tax replacement credits that each civil taxing unit and school corporation in the auditor's county is entitled to receive under this subdivision. The county auditor shall then certify to each civil taxing unit and school corporation the amount of property tax replacement credits the civil taxing unit or school corporation is entitled to receive under this subdivision during that calendar year. The county auditor shall also certify these distributions to the county treasurer. Except as provided in subsection (g), the local property tax replacement credits shall be treated for all purposes as property tax levies.

(2) The tax revenue may be used to uniformly increase the homestead credit percentage in the county. The additional homestead credits shall be treated for all purposes as property tax levies. The additional homestead credits do not reduce the basis for determining the state homestead credit under IC 6-1.1-20.9. The additional homestead credits shall be applied to the net property taxes due on the homestead after the application of all other assessed value deductions or property tax deductions and credits that apply to the amount owed under IC 6-1.1. The

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department of local government finance shall determine the additional homestead credit percentage for a particular year based on the amount of tax revenue that will be used under this subdivision to provide additional homestead credits in that year.

(3) The tax revenue may be used to provide local property tax replacement credits at a uniform rate for all qualified residential property (as defined in IC 6-1.1-20.6-4) in the county. The amount of property tax replacement credits that each civil taxing unit and school corporation in a county is entitled to receive under this subdivision during a calendar year equals the product of:

(A) the tax revenue attributable to a tax rate under this section that is dedicated to property tax replacement credits under this subdivision; multiplied by

(B) the following fraction:

(i) The numerator of the fraction equals the total property taxes being collected in the county by the civil taxing unit or school corporation during the calendar year of the distribution.

(ii) The denominator of the fraction equals the sum of the total property taxes being collected in the county by all civil taxing units and school corporations of the county during the calendar year of the distribution.

The department of local government finance shall provide each county auditor with the amount of property tax replacement credits that each civil taxing unit and school corporation in the auditor's county is entitled to receive under this subdivision. The county auditor shall then certify to each civil taxing unit and school corporation the amount of property tax replacement credits the civil taxing unit or school corporation is entitled to receive under this subdivision during that calendar year. The county auditor shall also certify these distributions to the county treasurer. Except as provided in subsection (g), the local property tax replacement credits shall be treated for all purposes as property tax levies.

(4) Notwithstanding subdivisions (1) through (3), any tax revenue from a tax rate imposed under this section in Lake County may be distributed only as provided in subdivision (5), (6), or (7), as specified by ordinance of the Lake County council.

(5) This subdivision applies only to Lake County. The Lake County council may adopt an ordinance providing that the tax revenue from the tax rate under this section is used to

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proportionately reduce all property tax levies imposed by the county. The department of local government finance, with the assistance of the budget agency, shall certify to the county auditor, the county treasurer, the county council, and the county executive the amount of tax revenue under this section that will be used to reduce each property tax levy imposed by the county. Except as provided in subsection (g), the tax revenue under this section that is used to reduce the property tax levies imposed by the county shall be treated for all purposes as property tax levies.

(6) This subdivision applies only to Lake County. The Lake County council may adopt an ordinance providing that the tax revenue from the tax rate under this section is used as follows to provide local property tax replacement credits in Lake County:

(A) The tax revenue under this section that is collected from taxpayers within a particular municipality in Lake County (as determined by the department based on the department's best estimate) shall be used only to provide a local property tax credit against property taxes imposed by that municipality. The local property tax credit within a particular municipality shall be applied at a uniform rate for all taxpayers within that municipality.

(B) The tax revenue under this section that is collected from taxpayers within the unincorporated area of Lake County (as determined by the department) shall be used only to provide a local property tax credit against property taxes imposed by the county. The local property tax credit for the unincorporated area of Lake County shall be available only to those taxpayers within the unincorporated area of the county and shall be applied at a uniform rate for all taxpayers within the unincorporated area of the county.

(C) The department of local government finance, with the assistance of the budget agency, shall certify to the county auditor the amount of property tax replacement credits that the county and each municipality in the county are entitled to receive under this subdivision during the calendar year. The county auditor shall then certify these credit amounts to the county and each municipality in the county. The county auditor shall also certify these credit amounts to the county treasurer.

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(D) Except as provided in subsection (g), the local property tax replacement credits shall be treated for all purposes as property tax levies.

(7) This subdivision applies only to Lake County. The Lake County council may adopt an ordinance providing that the tax revenue from the tax rate under this section is used as follows in Lake County:

(A) Sixty percent (60%) of the tax revenue under this section shall be used as provided in subdivision (6).

(B) Forty percent (40%) of the tax revenue under this section shall be used to provide property tax levy reductions as follows:

(i) The tax revenue distributed under this clause shall be used to reduce the property tax levies of the county and each township and municipality in the county.

(ii) The percentage of the tax revenue distributed under this clause that shall be distributed to the county or to a particular township or municipality for property tax levy reductions under this subdivision is equal to the percentage determined by dividing the population of the county, township, or municipality by the sum of the total population of the county, each township in the county, and each municipality in the county.

(iii) The tax revenue distributed to the county or a township or municipality under this clause shall be used to proportionately reduce all property tax levies of the county, township, or municipality.

(iv) The department of local government finance, with the assistance of the budget agency, shall certify to the county auditor and the fiscal body of the county and each township and municipality in the county the amount of tax revenue under this section that will be used under this clause to reduce each property tax levy imposed by the county, township, or municipality.

(v) Except as provided in subsection (g), the tax revenue under this section that is used to reduce the property tax levies imposed by the county, a township, or a municipality shall be treated for all purposes as property tax levies.

(g) The tax rate under this section shall not be considered for purposes of computing:

(1) the maximum income tax rate that may be imposed in a county

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under section 8 or 9 of this chapter or any other provision of this chapter; or

(2) the maximum permissible property tax levy under STEP EIGHT of IC 6-1.1-18.5-3(b).

(h) Tax revenue under this section shall be treated as a part of the receiving civil taxing unit's or school corporation's property tax levy for that year for purposes of fixing the budget of the civil taxing unit or school corporation and for determining the distribution of taxes that are distributed on the basis of property tax levies.

(i) The department of local government finance and the department of state revenue may take any actions necessary to carry out the purposes of this section.

(j) Notwithstanding any other provision, in Lake County the county council (and not the county income tax council) is the entity authorized to take actions concerning the tax rate under this section.

SECTION 4. IC 13-21-3-21 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2008]: Sec. 21. Before the board of a district may adopt an annual budget, the budget must be:

(1) approved by the department of local government finance; ~~and~~

(2) sent to:

(A) the executive; and

(B) the fiscal body;

of each county and municipality located within the district as a matter of record; ~~and~~

(3) approved by the fiscal body of each county in which the district is located, in the case of annual budgets for 2009 and thereafter.

SECTION 5. IC 20-26-5-32 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2008]: **Sec. 32. (a) This section applies only to a school corporation that has a governing body consisting entirely of elected members.**

(b) If a statute authorizes a school corporation to borrow money by issuing bonds, notes, or warrants, the governing body of the school corporation may authorize the school corporation to borrow the money by obtaining a loan from a financial institution under that statute, instead of issuing the bonds, notes, or warrants.

(c) Except as provided in subsection (b), this section does not excuse a school corporation from complying with any laws concerning:

(1) the authority to borrow money;

(2) the maximum amount of money that may be borrowed for

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a particular purpose;

(3) approval of the borrowing; or

(4) the right of taxpayers to object to the borrowing.

(d) The maximum amount of loans from financial institutions to a particular school corporation under this section may not exceed one million dollars (\$1,000,000).

SECTION 6. IC 36-1-4-20 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2008]: Sec. 20. (a) This section applies only to a political subdivision that has a fiscal body consisting entirely of elected members.

(b) If a statute authorizes a political subdivision to borrow money by issuing bonds, notes, or warrants, the fiscal body of the political subdivision may authorize the political subdivision to borrow the money by obtaining a loan from a financial institution under that statute, instead of issuing the bonds, notes, or warrants.

(c) Except as provided in subsection (b), this section does not excuse a political subdivision from complying with any laws concerning:

(1) the authority to borrow money;

(2) the maximum amount of money that may be borrowed for a particular purpose;

(3) approval of the borrowing; or

(4) the right of taxpayers to object to the borrowing.

(d) The maximum amount of loans from financial institutions to a particular political subdivision under this section may not exceed one million dollars (\$1,000,000).

SECTION 7. IC 36-8-13-4.6 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2008]: Sec. 4.6. (a) For townships and municipalities that elect to have the township provide fire protection and emergency services under section 3(b) of this chapter, the department of local government finance shall adjust each township's and each municipality's maximum permissible levy in the year following the year in which the change is elected, as determined under IC 6-1.1-18.5-3, to reflect the change from providing fire protection under a contract between the municipality and the township to allowing the township to impose a property tax levy on the taxable property located within the corporate boundaries of each municipality. Each municipality's maximum permissible property tax levy shall be reduced by the amount of the municipality's property tax levy that was imposed by the municipality to meet the obligations to the township under the fire protection contract. The township's maximum

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permissible property tax levy shall be increased by the product of:

- (1) ~~one and five-hundredths (1.05);~~ **the assessed value growth quotient determined under IC 6-1.1-18.5-2 for the ensuing calendar year;** multiplied by
- (2) the amount the township received:
 - (A) in the year in which the change is elected; and
 - (B) as fire protection contract payments from all municipalities whose levy is decreased under this section.

(b) For purposes of determining a township's or municipality's maximum permissible ad valorem property tax levy under IC 6-1.1-18.5-3 for years following the first year after the year in which the change is elected, a township's or municipality's maximum permissible ad valorem property tax levy is the levy after the adjustment made under subsection (a).

SECTION 8. IC 36-8-13-4.7, AS AMENDED BY P.L.224-2007, SECTION 130, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2008]: Sec. 4.7. (a) For a township that elects to have the township provide fire protection and emergency services under section 3(c) of this chapter, the department of local government finance shall adjust the township's maximum permissible levy in the year following the year in which the change is elected, as determined under IC 6-1.1-18.5-3, to reflect the change from providing fire protection or emergency services under a contract between the municipality and the township to allowing the township to impose a property tax levy on the taxable property located within the corporate boundaries of each municipality. For the ensuing calendar year, the township's maximum permissible property tax levy shall be increased by the product of:

- (1) ~~one and five-hundredths (1.05);~~ **the assessed value growth quotient determined under IC 6-1.1-18.5-2 for the ensuing calendar year;** multiplied by
- (2) the amount the township contracted or billed to receive, regardless of whether the amount was collected:
 - (A) in the year in which the change is elected; and
 - (B) as fire protection or emergency service payments from the municipalities or residents of the municipalities covered by the election under section 3(c) of this chapter.

The maximum permissible levy for a general fund or other fund of a municipality covered by the election under section 3(c) of this chapter shall be reduced for the ensuing calendar year to reflect the change to allowing the township to impose a property tax levy on the taxable property located within the corporate boundaries of the municipality.

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The total reduction in the maximum permissible levies for all electing municipalities must equal the amount that the maximum permissible levy for the township is increased under this subsection for contracts or billings, regardless of whether the amount was collected, less the amount actually paid from sources other than property tax revenue.

(b) For purposes of determining a township's and each municipality's maximum permissible ad valorem property tax levy under IC 6-1.1-18.5-3 for years following the first year after the year in which the change is elected, a township's and each municipality's maximum permissible ad valorem property tax levy is the levy after the adjustment made under subsection (a).

(c) The township may use the amount of a maximum permissible property tax levy computed under this section in setting budgets and property tax levies for any year in which the election in section 3(c) of this chapter is in effect. A county board of tax adjustment (before January 1, 2009) or the county board of tax and capital projects review (after December 31, 2008) may not reduce a budget or tax levy solely because the budget or levy is based on the maximum permissible property tax levy computed under this section.

(d) Section 4.6 of this chapter does not apply to a property tax levy or a maximum property tax levy subject to this section.

SECTION 9. IC 36-9-14.5-6 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2008]: Sec. 6. (a) Except as provided in subsection (c), the county fiscal body may provide money for the cumulative capital development fund by levying a tax in compliance with IC 6-1.1-41 on the taxable property in the county.

(b) The maximum property tax rate that may be imposed for property taxes first due and payable during a particular year in a county in which the county option income tax or the county adjusted gross income tax is in effect on January 1 of that year, depends upon the number of years the county has previously imposed a tax under this chapter and is determined under the following table:

NUMBER OF YEARS	TAX RATE PER \$100 OF ASSESSED VALUATION
0	\$0.05 \$0.0167
1 or more	\$0.10 \$0.0333

(c) The maximum property tax rate that may be imposed for property taxes first due and payable during a particular year in a county in which neither the county option income tax nor the county adjusted gross income tax is in effect on January 1 of that year, depends upon the number of years the county has previously imposed a tax under this

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chapter and is determined under the following table:

NUMBER OF YEARS	TAX RATE PER \$100 OF ASSESSED VALUATION
0	\$0.04 \$0.0133
1 or more	\$0.07 \$0.0233

SECTION 10. IC 36-9-15.5-6 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2008]: Sec. 6. (a) Except as provided in subsection (c), the municipal fiscal body may provide money for the cumulative capital development fund by levying a tax in compliance with IC 6-1.1-41 on the taxable property in the municipality.

(b) The maximum property tax rate that may be imposed for property taxes first due and payable during a particular year in a municipality that is either wholly or partially located in a county in which the county option income tax or the county adjusted gross income tax is in effect on January 1 of that year depends upon the number of years the municipality has previously imposed a tax under this chapter and is determined under the following table:

NUMBER OF YEARS	TAX RATE PER \$100 OF ASSESSED VALUATION
0	\$0.05 \$0.0167
1	\$0.10 \$0.0333
2 or more	\$0.15 \$0.05

(c) The maximum property tax rate that may be imposed for property taxes first due and payable during a particular year in a municipality that is wholly located in a county in which neither the county option income tax nor the county adjusted gross income tax is in effect on January 1 of that year depends upon the number of years the municipality has previously imposed a tax under this chapter and is determined under the following table:

NUMBER OF YEARS	TAX RATE PER \$100 OF ASSESSED VALUATION
0	\$0.04 \$0.0133
1	\$0.08 \$0.0267
2 or more	\$0.12 \$0.04

SECTION 11. [EFFECTIVE JULY 1, 2008] **IC 36-8-13-4.6, IC 36-8-13-4.7, IC 36-9-14.5-6, and IC 36-9-15.5-6, all as amended by this act, apply only to property taxes first due and payable after December 31, 2008.**



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SECTION 12. [EFFECTIVE JANUARY 1, 2003 (RETROACTIVE)] (a) **This SECTION applies only to an entity that meets all of the following conditions:**

- (1) The entity is a church or religious society.**
- (2) For the assessment date in 2003:**
 - (A) property owned by the entity would have been eligible for exemption from property taxes if the entity had timely filed an application under IC 6-1.1-11 for property tax exemption for the property;**
 - (B) the entity failed to file a timely application under IC 6-1.1-11 for property tax exemption for the property; and**
 - (C) the entity's property was subject to taxation.**

(b) Notwithstanding IC 6-1.1-11 or any other law specifying the date by which an application for property tax exemption must be filed to claim an exemption for a particular assessment date, an entity described in subsection (a) may before July 1, 2008, file with the county assessor an application for property tax exemption for the 2003 assessment date.

(c) Notwithstanding IC 6-1.1-11 or any other law, an application for property tax exemption filed under subsection (b) is considered to be timely filed, and the county assessor shall forward the application to the county property tax assessment board of appeals for review. The board shall grant an exemption claimed for the assessment date in 2003 for property tax exemption if the board determines that:

- (1) the entity's application for property tax exemption satisfies the requirements of this SECTION; and**
- (2) the entity's property was, except for the failure to timely file an application for property tax exemption, otherwise eligible for the claimed exemption.**

(d) If an entity has previously paid the tax liability for property with respect to the 2003 assessment date and the property is granted an exemption under this SECTION for the assessment date, the county auditor shall issue a refund of the property tax paid by the entity. An entity is not required to apply for any refund due under this SECTION. The county auditor shall, without an appropriation being required, issue a warrant to the entity payable from the county general fund for the amount of the refund, if any, due the entity. No interest is payable on the refund.

(e) This SECTION expires January 1, 2010.

SECTION 13. An emergency is declared for this act."

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Delete page 2.

Renumber all SECTIONS consecutively.

and when so amended that said bill do pass.

(Reference is to SB 20 as introduced.)

KENLEY, Chairperson

Committee Vote: Yeas 10, Nays 0.

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